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AGRICULTURAL OUTLOOK FOR OKLAHOMA

1928

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PURPOSE

The purpose of the Annual Agricultural Outlook is to bring into compact and readable form facts and the consensus of opinions on the agricultural prospects of the state for the coming year. Being a statement of probabilities, continuous caution must be exercised in its interpretation. It is not intended as a compilation of advice to the individual farmer. Rather it is a statement of the general agricultural situation and prospects which must necessarily apply differently to each individual farm situation. It is not, therefore, a program for the farmer but a set of facts to help him in making his program for the coming year.

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By
The Staff of the Department of Agricultural Economics
Assisted By
Graduate Students of the Department
OKLAHOMA A. AND M. COLLEGE EXPERIMENT STATION

THE GENERAL AGRICULTURAL OUTLOOK

The position of agriculture, both in Oklahoma and in the United States, at the end of 1928 probably will be slightly better than it is at present. Non-agricultural prices will likely register a decline, barring unusual economic disturbances; while agricultural prices taken as a whole probably will not show as great a decline, provided crop areas are not expanded and there is no material increase in production.

The purchasing power of farm products in terms of non-agricultural commodities stood at 81 for the beginning of the year; it rose to 86 in June, and due to rapid rise in farm prices, caused by decreased yield in some crops, it mounted to 92 in September and October, finally closing at 91 in December. There were two major movements in the improvement of purchasing power of farm products during 1927; first, a decline of non-agricultural prices, with agricultural price levels stationary during the first half of the year; second, a rise of agricultural prices due to decreased crop production, with stationary non-agricultural prices during the last half of the year. Only the first mentioned movement represents a fundamental force for improving the disparity that has existed since the war between farming and other industries.

Possibly industrial profit margins may show a still further decline during the coming year. To this may be added the probability that labor, due to increased unemployment, may be forced to take a slightly smaller wage and hence get a smaller share of the national production during the coming year than was the case in 1927. The net results of these probable changes should bring non-agricultural commodity prices to levels that are relatively closer to agricultural price levels than they were in 1927.

However, under present national, industrial and agricultural policies, there are fundamental inequalities between agriculture and industry. Certain slow acting forces would ultimately do much to readjust this disparity. But the maladjustment is such that it is easily possible for agriculture to find itself at the end of 1928 in a much worse position relative to other industries than it is in at the present time. If these maladjustments are not corrected by changed national policies the probabilities are that the economic disparity of agriculture will last for many years to come.

The position of Oklahoma agriculture is probably about the same that it was last year. The total value of all crops declined from 303 million dollars in 1926 to 289 million in 1927, or a 5% decline. On the other hand the total value of livestock was 122 million dollars on January 1, 1928, as contrasted to 107 million a year previous, an increase of 14%.

Present moisture conditions are satisfactory in most sections of the state. This fact augurs well for next year's yields of all crops in the state. Beef cattle, poultry and dairy prospects for 1928 are bright; while hog prospects may be said to be favorable for the coming year. Cotton and wheat, the state's two major cash crops, do not have improved prospects for the coming year. The world position of the two crops is prophetic of the probabilities of a less satisfactory market during the coming year than that of the past year. Both have a seriously threatening insect menace facing them. A heavy hibernation of boll weevil undoubtedly occurred last fall; while a few farmers scattered throughout the wheat belt who ignored Hession fly control measures now have infested fields enough to damage practically the entire wheat belt, if conditions are favorable to the fly next spring.

The weight of authority expects general business to be hardly as good in 1928 as it was in 1927. The total volume of business during the first half of the year is expected to be greater than that of the last half of 1927 but less than the business for the first half of 1927. Recent improvements in automobile models, accompanied by radically reduced prices in some cases, probably forecast a record breaking year in sales, with a decided narrowing of profit margins. These conditions should foster employment, stimulate the market for material used in automobile construction, and be helpful to business in general. Although residence and other house building activities have declined markedly the past few weeks, and will likely not reach, in 1928, their 1927 levels, road building, power plant, and bridge construction will probably reach record heights in 1928. The consensus of opinion of railway presidents is that the total railway business for the coming year will approximately equal the business in 1927, and that new construction and repaid costs will equal those of last year.---J. T. Sanders.

COTTON

Cotton is a doubtful enterprise for Oklahoma cotton farmers next year. It is far less promising than some other enterprises. The satisfactory price of the past year which was due to low yield and not to small acreage, will tempt some at home and abroad to expand acreage which with normal yields may bring unsatisfactory prices. The carry-over this year will probably be slightly smaller than that of last year. Acreage and value figures on past cotton crops reveal the fact that with each million bale increase in production of American cotton the total

purchasing power of the crop is decreased 19 million dollars. Acreage, therefore, is a highly important factor in next year's total cotton returns. Oklahoma farmers, especially those of the eastern part of the state where the boll weevil menace threatens, can well pay more attention to other more promising alternative crops and livestock enterprises and substitute some of these for part of their land previously put into cotton.

The world carryover of all cotton on July 31, 1928, will be about six to seven million bales. The average carryover of all cotton in the world for the past five years has been about seven million bales. The United States normally produces about 60% of the cotton of the world. The production of cotton by all countries outside the United States last year was 9 per cent above the five year average. The acreage of cotton planted in these countries last year was 10 per cent above the average acreage for the past five years. Since prices of cotton in this country have a decided influence on the acreages in many foreign countries it does not seem reasonable to expect decreased plantings abroad when prices for the past season are considered. While the crop of 12,789,00 bales in the United States last year was small compared to the previous two years it was 3.2 per cent larger than the average crop for the past ten years and only 5.4% smaller than the average crop for the past five years.

During the past ten years the yield of cotton per acre in the United States has varied from 124 pounds to 182 pounds. The average for the past ten years has been 156 pounds and for the past four years 165 pounds per acre. With moisture conditions at present favorable in the cotton belt, except in the southwest, there is a probability that yield will be somewhat larger in 1928 than the ten year average, if boll weevils do not damage the crop more than normally.

The following paragraph from the 1928 Outlook of the United States Department of Agriculture summarizes the prospective boll weevil situation:

"The yield per acre will depend to a material extent upon the abundance of boll weevils. Weevils undoubtedly entered hibernation in the fall of 1927 in larger numbers . . . . . than for several years. The extent to which they were destroyed by the very low temperatures experienced for several days in January over a major portion of the cotton belt is still undetermined. Past experience, however, and such information as is available indicate that a considerable percentage of hibernating weevils still survive even where the early January temperatures were as low as 10 degrees. Later periods of low temperatures might reduce the number of weevils to a point where they will cease to be a serious danger in 1928 but even a relatively light emergence would constitute a menace in case the growing season should favor boll weevil propagation."

The eastern and western part of the state have distinctly different problems in facing the boll weevil menace. The danger is far greater in the eastern section.

World production of cotton during the past year is estimated at 27.8 million bales, which is 21 per cent above the average production for the past five years. Production of cotton in the countries outside the United States last year was 9.8 million bales or 9 per cent above the previous 5 year average production.

Production of cotton outside the United States in 1926-27 was almost 10 million bales. The average production for these same countries during the previous five years was 9 million bales. World acreage of cotton during the season 1926-27 was 81.3 million acres, which is 23 per cent above the average acreage in the world for the previous five years.

If the same acreage of cotton is planted in the world during 1928-29 as was planted last year and yields equal to the average for the past 5 years are secured the world production of cotton will be about 28.5 million bales, or not quite 3% more than last year's crop.

The average world consumption of cotton during the past five years has been about 22.7 million bales compared to average production of about 23 million bales. Should consumption during the present year equal the average of the past five years and average yields for the past five years be secured on a world acreage equal to last year the carryover of cotton out of the season's production would be 5.7 million bales. Assuming that world consumption during the year 1927-28 should equal consumption last year, which is very improbable since it was the highest on record, there would still be two and one-half million bales produced above consumption to add to the previous world carryover.

The consumption of cotton in the United States for the first five months of the 1927-28 was 7.4 per cent greater than for the same period in 1926. However, consumption in December, 1927, was 13.5 per cent less than in November, 1927, and 11 per cent less than in that of December, 1926. Total consumption of cotton in the United States for 1927-28 will probably be less than for 1926-27.---W. W. Fetrow.

WHEAT

Oklahoma wheat farmers, judging from developments to date, face a world market for the coming year with prospects that are slightly less favorable than those of last year. The world wheat area outside of Russia continues to expand but this may be offset somewhat by a reduction in wheat acreage in Russia. The world's carryover of old wheat on July 1, 1928, is likely to be slightly larger than that last year.

The 1927 world crop outside of Russia and China will probably be 3% greater than the 1926 crop. World supplies on hand on July 1, 1927, were also about 56 million bushels greater than at the beginning of the 1926-27 season, but poor quality grain from certain European countries and from Canada will probably offset the slight increase in the world wheat supplies. Furthermore, if the prevailing higher prices for rye and other feed and food products in comparison with lower prices for wheat should prevail throughout the coming season the increased European consumption of wheat would probably absorb practically all the increase in volume of supplies. All countries reporting to date report that they have a fifth larger potato crop, 12% larger rye crop and a 6% larger barley crop this year than last.

In terms of production of wheat, rye, and barley, the world outside of Russia and China has produced about 4.5 bushels per capita of these grains in 1927 compared with 4.3 bushels the previous year, an increase of only 4%. In 1925 these countries produced the same per capita amount of these grains as in 1927; and their average pre-war per capita production (from 1909-13) was 4.6 bushels. Thus it will be seen that during the past three years the world has had a smaller per capita production than in pre-war years.

Present indications are that the United States has sown this fall a 10 per cent greater wheat acreage than was sown last fall. The spring wheat belt had an exceptionally large production in 1927 and moisture conditions at present are good, which facts indicate that a probable increased acreage will be sown next spring. The estimates of seedings of winter wheat in six countries, including the United States, reporting to date for 1928 show approximately a 10 per cent increase of winter wheat sowings over seedings in these same countries in 1927. Although these countries last year contained only 24 per cent of the world's wheat area outside of Russia these increased sowings are significant of next year's probable total acreage.

Hessian fly and green bug infestation are reported from most of the wheat counties of Oklahoma except those in the Panhandle. There is the possibility of much damage from the scattering fields which were sown early and which are now infested. Drouth has seriously affected wheat in the northwestern counties of the state. The present indications, therefore, are that less than a normal wheat crop may be grown in Oklahoma next year with a world market situation about the same if not less favorable than that prevailing in 1927.

Although the world's wheat acreage has increased 5% in three years, production has remained the same, due to decreased yields. Yields are not likely to remain low, and the world could easily find itself next year with a 5 to 10 per cent greater wheat supply without a corresponding increase in demand at present prices. Therefore, Oklahoma farmers cannot reasonably hope for a better market situation

next year with normal world conditions, than they have this year. In fact the probabilities are the contrary.---J. T. Sanders and Carl M. Clark.

FEED

Sufficient acreage of feed in Oklahoma for 1928 should be planted to take care of all livestock on hand even with a less than normal yield. Twenty per cent more than the normal amount of feed was produced in 1927 on the average farm but this with good prospects for spring pasture should not influence a decrease in acreage of feed crops in 1928. Last year was decidedly exceptional in production and the crop of 1928 may be short. Safe farming demands sufficient feed at all times for all the livestock on the farm. Oklahoma farmers in many cases will find it profitable during the coming year to expand their livestock enterprises. But the first essential in success with expansion is to make ample provisions against a possible feed shortage. During the past four years the yield of corn per acre varied from 7.5 bushels to 26.5 bushels; oats from 19 to 28 bushels; barley from 14 to 27 bushels and grain sorghum from 13.5 to 22 bushels. This makes it important for the farmer to plan his acreage of grain crops so that he will have sufficient feed each year.

The crop area used for feed crops in Oklahoma increased seven per cent from 1926 to 1927 and 12 per cent from 1925 to 1927. This increase in acreage with splendid growing conditions produced in 1927 a feed crop of from 10 to 40 per cent larger than the average. In the northwestern part of Oklahoma feed is scarce, due to 1927 being a dry year. The lack of moisture also accounts for the absence of wheat pasture. Some farmers with livestock are in great need of feed. In the northeast part of the state much wild hay was not harvested in 1927 because the market price would not justify the cost, and local livestock were not sufficient to consume the heavy production. In the southeast part of Oklahoma a heavy corn crop with few livestock to feed resulted in corn being sold locally as low as 45 cents per bushel.

For the United States as a whole the 1927 tame hay crop was the largest ever produced. It was the first hay crop to exceed one hundred million tons, and was produced at the record yield of 1.74 tons per acre. The production exceeded the 1926 crop by 23 per cent; however, its value was one per cent less than the previous crop. Wild hay was about double the 1926 crop and sold, or is for sale, in many places at ruinously low prices.

The hay crop in the United States was not only larger but the number of hay consuming animals expressed as animal units were

about 10 per cent less than the average number for the four years 1921-1924 and are now at their lowest point in many years.

Oklahoma farmers who have been producing wild and alfalfa hay for the market should carefully weigh the unpromising market prospect for cash hay next year against the far brighter prospects of beef, pork, and dairy products. Practically all the hay grown in Oklahoma during the coming year should be fed and marketed indirectly as livestock products. The low price of hay, the better price of livestock products, and the high freight rates that Oklahoma farmers must pay all dictate the wisdom of following out this policy in connection with the state hay crop for the coming year.---J. O. Ellsworth.

BROOMCORN

The broomcorn situation has again worked itself back to a healthy position and some increase in acreage during 1928 seems to be justified.

The production of broomcorn in 1927 was about 35,000 tons which was the lowest for the past seventeen years except 1925. The annual consumption of broomcorn for the United States is about 50,000 tons and a normal carryover from one season to another is about 25,000 tons. On the first of June, 1927, there was a carryover of approximately 32,000 tons. This added to the 1927 crop of about 35,000 tons gives the country a supply of about 65,000 tons for the year ending June, 1928.

The carryover at the beginning of the 1928 crop season assuming normal consumption probably will be between 15,000 to 20,000 tons. This is only slightly less than a normal carryover. However, it is reported that the carryover of brooms is light and manufacturers report that jobbers and merchants are buying supplies only as needed. The importance that can be placed on these reports is not definite, since official statistics are not available.

A production of about 50,000 tons during the coming year would not make supplies burdensome. Due to variations in yields the number of acres necessary to produce this amount of broomcorn during the past 15 years has varied from 230,000 acres to 350,000 acres. This is all the way from 5 to 60 per cent increase over the acreage harvested in 1927. Assuming average yields of the past ten years, 330,000 acres would be required to produce 50,000 tons of broomcorn next year.

Farmers can easily over-produce such a crop as broomcorn since most of the crop is consumed in the United States. Since less than 10 per cent of the crop is exported, we cannot look to foreign markets to take our surplus in years of heavy production. Another factor in broomcorn consumption is the limited field in which it can be used, that of making brooms and brushes.

During the 13 years, 1915 to 1927, the acreage of broomcorn in the United States has fluctuated from 222,000 to 536,000 acres. The acreage was doubled from 1922-1923 and from 1924-25 was more than cut in two. During these same 13 years the production of broomcorn has fluctuated from 29,500 tons to 78,200 tons. These fluctuations in production seriously affect Oklahoma farmers who grow broomcorn, because one-half of the total crop of the United States is normally grown in Oklahoma.

In many sections where broomcorn is used as a catch crop the acreage of broomcorn is often greatly increased due to the failure of other crops. This often causes a much larger acreage than farmers plan on at the beginning of the season. Farmers in the broomcorn sections of Oklahoma in so far as it is possible will profit by carefully watching the acreage being planted to broomcorn throughout the season in order to adjust their own acreage in the light of these facts. Overproudction such as occurred in 1923 and 1924 should be avoided if possible.---W. W. Fetrow.

POTATOES

Oklahoma potato growers should exercise caution in increasing their acreage of potatoes for the coming season.

Reports from growers in the United States indicate that the acreage of potatoes in 1928 will be about seven per cent larger than the acreage of 1927. With such an increase in acreage, there is little probability that returns will be as good as they have been in the past three years.

While there are as yet no indications of a general increase in acreage in the South, a few states in that section seem to be planning to increase plantings. Consideration must also be given to the fact that the price of late potatoes is lower than the price a year ago, and also that the quantities still in storage are probably greater, particularly in the West, than they were a year ago. Oklahoma growers who market their potatoes early must face this spring the above mentioned unfavorable conditions. Those who market their crop later in the season will come into competition with the heavy producing late crop areas where reports indicate that the growers are planning to increase their acreage 14 per cent.

While there is a possibility that prices for potatoes may be high several years in succession, there is a decided tendency for high prices in any year to be followed the next year by large supplies and small returns to growers.

During the years 1922-1924 the average price per bushel for potatoes ranged from 61c to 83c. The average price per bushel in 1925 was $1.98; in 1926 it was $1.41; and in 1927, 95c. During the past

three years it will be noted that the price of potatoes has been comparatively high with a marked decrease in price during the past two years.

Oklahoma farmers who have soil that is not well adapted to the production of potatoes, or who are unable to use labor-saving machinery, should not attempt to produce potatoes on a commercial scale. The production of potatoes is steadily becoming concentrated in the best adapted areas where efficient production methods are used. Yields have also been increasing so that fewer acres per capita are now required to supply consumptive needs.

If the intended acreage is planted to potatoes in 1928 and average yields are secured there will be a total crop of about 430,000,000 bushels. This production would probably bring a repetition of the low prices which prevailed for the crops of 1922 and 1924.

Considering the probability of increased supplies of potatoes in 1928, Oklahoma farmers who raise potatoes on a commercial scale will do well to consider carefully the above facts before making their plantings this spring.

It seems highly desirable, however, that all farmers in the state who are in a position to do so grow sufficient potatoes for home consumption as this will materially reduce the size of the family grocery bill. Even though the price is low the farmer will find it to his advantage to grow potatoes for home use, provided he uses reasonable care in selecting seed potatoes and soil, and provided he guards against scab and other diseases.---J. F. Page.

SWEET POTATOES

The sweet potato situation justifies a reduction in acreage in 1928 among commercial growers of Oklahoma, and among other Oklahoma farmers a planting sufficient for home consumption and local market needs.

Since 1920 there has been a close relation between total sweet potato production in Oklahoma and the December 1st farm price. The total production in the state varied from 1.6 million bushels in 1925 to 2.7 million bushels in 1923. Both 1926 and 1927 have been years of large production. The December, 1927, Oklahoma farm price was the lowest price since 1920.

Since 1920 with each million bushel increase in the total production of the state the farm price of sweet potatoes has declined approximately 55 cents per bushel. In other words, since 1920 when acreage planted and yield changes have caused the state's production to rise by a hundred thousand bushels the price per bushel has dropped

5½ cents. Should this relation between total production and price exist next year, an Oklahoma crop of 2.5 million bushels should bring farmers about $2,437,500. On the other hand if acreage and yields cut the production 20 per cent to 2.0 million bushels, and the normal price rise results, the total crop should sell for $2,550,000 or between 4 and 5 per cent more than the previously mentioned larger crop. Unless unusual conditions prevail next year a reduction in sweet potatoes will yield increased gross income and at the same time decrease total costs thus raising materially the sweet potato profits of Oklahoma farmers.

The average December 1st Oklahoma farm price of sweet potatoes since 1920 has been 17 cents higher than the United States farm price. Oklahoma has advantage of freight rate differentials over the south Atlantic and central Atlantic sweet potato areas, which is the main cause of this difference in farm price.

There seems to have been a fairly close relationship between the amout of sweet potatoes planted in Oklahoma and the price of cotton the previous fall. Potato acreages are low following good cotton prices. The exceptionally low price of potatoes at present in conjunction with relatively high cotton price should tend to hold potato plantings down. However, boll weevil danger and the desire to get away from too much dependence on cotton will cause many farmers in eastern Oklahoma to seriously consider a larger sweet potato acreage.---J. T. Sanders.

BEEF CATTLE

Prospects for the cattle industry during 1928 appear favorable for the farmer who is established in the cattle business; but farmers should proceed with caution before buying heavily of breeding stock and going into the beef cattle business. Conditions indicate a continuation of the present favorable cattle prices for two or three years but farmers who buy into the business now at present high prices face danger of considerably lower prices by the time they get their production well under way within three or four years.

It seems reasonably certain that prices of slaughter cattle and stocker feeder cattle will average higher in 1928 than they did in 1927. However, the peak prices of slaughter cattle will probably not equal peak prices of last year.

The number of all cattle in the United States decreased about two per cent during 1927. The number of cattle on farms January 1, 1928, was the smallest since 1912 and probably the second smallest since 1898. Both of the previous two years were followed by rising cattle prices. With the exception of 1921 the number of cattle and calves slaughtered each year since 1927 has exceeded the number of calves born.

About one-half of the states showed decreases in numbers of cattle during 1927, the greatest decrease occurring in the north central states and the states west of the Rocky Mountains. According to available figures the number of cattle in Oklahoma has remained about the same during 1927.

The movement of cattle to market during October of this year was the lowest for October since 1921. The number of cattle marketed in 1927 was about 11 per cent less than the average number marketed per year for the five years, 1922 to 1926. Cattle supplies during the next six months and probably the next year are expected to continue below last year as the movement of stocker and feeder cattle from markets into feed lots the past few months shows considerable decrease over a year ago and over that of the past five years. Many cattle will be kept on the ranges for stocking up to take advantage of the favorable prices. The receipts of cattle at public stockyards were almost five per cent less in 1927 than in 1926 and were the lowest for any year since 1921.

The embargo on cattle and beef from Argentina eliminates that country as a direct competitor of our cattle industry. Imports of cattle from Canada, however, will probably increase during 1928 but supplies from that source will not be large enough to materially affect the American cattle and beef markets, since Canada furnished us with only about 2% of our market supply of 1927. The per capita consumption of beef and veal has been gradually increasing in the important beef consuming countries since 1921. However, it has not reached pre-war levels in the United States. The relatively high price of beef compared to pork and lamb may cause greater consumption of the latter two meats. However, any improvement in business conditions would tend to offset any tendency toward a decrease in consumption of beef.

Oklahoma cattle feeders as well as corn belt feeders with high cattle and lower corn prices will be tempted to feed longer than usual this spring; and there is the possibility of a period of somewhat heavy market supplies late next spring. However, authorities think that the conditions are not sufficiently pronounced to depress prices to any material extent.

Cattlemen of Oklahoma who have pasturage and foundation stock can look to the next two or three years with reasonable assurance of favorable prices and good returns. Farmers who are not experienced beef cattle men and who must buy into the enterprise at present high prices for foundation stock should proceed with caution. Few price cycles in the economic realm occur with more regularity than does the cycle of beef prices. If the usual cycle develops, out of the present situation will come much lower prices in about 4 to 8 years, which would be about the time the new beef raiser's herd would get under

full production. It is far more difficult to make a success starting with high priced foundation stock and facing a declining price prospect than it is when the cycle is reversed.

The present situation certainly justifies an increase of the beef enterprise by those farmers who have sufficient stock at present to increase their beef enterprise within the next two years without heavy purchases at prevailing prices.---W. W. Fetrow.

DAIRYING

The long time prospects, as well as the immediate prospects, are bright for expansion of dairying in Oklahoma. The bases for this statement are as follows:

(1) *The state now imports more than half of the dairy products it consumes and the total consumption is increasing.*

(2) *There are no indications of over expansion in the next few years of the industry, either in the state or in the nation.*

(3) *The state can grow an abundance of alfalfa hay; it has a large production of cottonseed meal and wheat feed concentrates, and it is favored with mild winters.*

In comparison with a year ago there has been no increase in the United States in the number of dairy cows and heifers, two years old and over. The number of young heifer calves on January 1st, 1928, shows an increase of 3.1 per cent over the number on hand a year ago, but this increase is equal to only about one per cent of the total number of dairy cows. It seems probable that the increased number of heifer calves saved in 1927, is only sufficient to cause an increase of about one or two per cent in the number of milk cows by 1930.

The total number of milk cows in the country has declined from 22.4 million head in 1924 to 21.9 million head in 1927 in the United States. During 1927 the number of milk cows in Oklahoma increased 29,000. There was no increase during the previous two years, and the increase of the past year would indicate that farmers are taking a greater interest than formerly in dairying.

Total dairy production in the United States showed a pronounced upward trend from 1920 to 1924 and a gradual upward trend since 1924. However, total domestic consumption has been increasing and the tendency has been for dairy production to fall short of quantities consumed in this country. During 1927 almost a billion pounds of milk were imported into the country in spite of the prevailing tariffs.

Profits from dairying vary greatly, depending upon the season of the year that products are for sale. Receipts of butter at the large

markets averaged by months for 16 years show that 158 per cent of the monthly average is received in June and only 71 per cent is received in December. Seasonal price changes vary in opposite directions but in less degree from that of market receipts. In June the price was 85 per cent of the monthly average and in December 115 per cent. The farm price in Oklahoma varied in 1921 to 1926 from a low of 89 per cent of the monthly average in June to the high point of 111 per cent in December. This indicates the advantage of winter dairy production, especially in Oklahoma with the mild winter weather and the otherwise unemployed labor in the winter months.

Oklahoma is a deficit dairy state, hence the price for dairy products should be enough higher to local producers to pay the transportation charges from surplus regions. However, where sufficient quantity and quality are not produced to justify adequate marketing organization the deficit area may have the lower prices. On December 15, 1927, farmers of Wisconsin were paid 55 cents per pound for butterfat as compared to 42 cents paid Oklahoma farmers, in spite of the fact that the former is a surplus area and the latter a deficit area.

Growth of population in Oklahoma towns and increased knowledge of the food value of dairy products increase the demand for dairy products. On the other hand occasional failure of crops and low prices are forcing the one crop wheat and cotton farmers to seek other means of supplementing their farm income. Results are that interest in dairying is increasing and at least until local demand is supplied expansion appears profitable.---J. O. Ellsworth.

SHEEP

Conditions indicate an unfavorable outlook for sheep and lambs during 1928, while the outlook for wool appears favorable.

The number of sheep and lambs in the United States increased 6.5 per cent during 1927. The consumption of lamb during 1928 is not likely to improve sufficiently to offset the prospective increase in production. The low stocks of wool in the United States together with a strong foreign market indicates a strong market for wool.

An increase in the number of sheep occurred during 1927 in all of the principal sheep producing areas, but was most prominent in the Southwest. The number of sheep in Oklahoma increased from 84,000 on January 1st, 1927, to 100,000 on January 1st, 1928, or 20 per cent.

The number of sheep and lambs on feed for market January 1st, 1928, was estimated to be about 10 per cent greater than on January 1st, 1927, and two per cent greater than on January 1st, 1926. The increased number of lambs on feed together with the increased proportion of heavy lambs as compared with those of last year indicate

increased marketing during February and March as compared with the same period a year ago. If weather conditions are normal there will be more lambs to market during the last half of 1928 than for the same period in 1927. The number of sheep and lambs in the United States has increased at the rate of about a million a year since 1922.

The outlook for wool during 1928 is favorable. The supplies of wool abroad are light and foreign markets continue strong. Estimates of wool production for the 1927-28 season in nine important producing countries, which normally produce from 65 to 75 per cent of the world's clip, indicate a decrease of about four per cent from that of last season.

The present outlook for sheep does not warrant expansion in Oklahoma, for those farmers who already have sheep. However, the small flock as usually found in Oklahoma, can no doubt be profitably maintained to utilize feed and labor which would otherwise be wasted. ---W. W. Fetrow.

HOGS

The hog outlook of Oklahoma for 1928 has more favorable elements than unfavorable elements, while the national outlook has the favorable and unfavorable elements about balanced.

There is a prospect of increased domestic demand, in this country, but the information regarding the export demand in European countries indicates an even lower export demand in 1928 than there was in 1927. Both foreign and domestic demand for lard is strong, due to the high price of cottonseed oil.

There was an increase of six to eight per cent in pigs raised in the United States in 1927 over the number raised in 1926. The number of hogs in the United States on January 1, 1928, was estimated to be 8.4 per cent greater than on January 1, 1927. The December, 1927, pig survey showed an increase of 11 per cent in the fall pig crop of 1927 over that of 1926. All of these factors serve as a basis for expecting larger market supplies of hogs in the summer and fall of 1928, than the supplies of the corresponding period in 1927. This fact is important when it is remembered that the slaughter of hogs in 1927 was 7 per cent larger than in 1926.

On the other hand the December, 1927, pig survey indicates a decrease of 6 per cent in the number of sows to farrow in the corn belt in the spring of 1928 as compared to the number farrowed in 1927. This will mean a substantial reduction in market supplies during the fall and winter of 1928 and 1929. These reduced supplies will tend to strengthen the market, but no marked advances are expected to take place. Also exceptionally high prevailing beef prices will tend to bolster up pork prices.

Hog receipts during the winter of 1927 failed to show the expected increase that the large spring crop of pigs indicated would materialize. This may mean that hogs are being fed to a somewhat heavier weight than is usual or that the spring crop was over-estimated.

Pork exports from the United States declined 38 per cent in November, 1927, as compared to exports for November, 1926, but lard exports increased 13 per cent. To offset this factor, however, the price of pork at wholesale in November, 1927, was 12 per cent greater than during the same period in 1926. Cold storage holdings January 1, 1928, were 11 per cent greater than at the same time in 1927. The lard market in the United States as well as in Europe is relatively more favorable than the pork market. This is due in part to the unusually high prices of cottonseed oil, a close competitor of lard.

Oklahoma farmers, according to the latest government reports, apparently have 25 per cent more hogs than they had a year ago. They probably will have a somewhat smaller proportionate increase in pigs farrowed next spring than were farrowed last spring. These two factors are bearish, but it is to be remembered that the Oklahoma hog farmer produced the largest feed crop in 1927 that he has produced in 16 years. This gives him an abundance of feed for a big hog crop.

For the past twenty-five years the farm price of Oklahoma corn has been above the Iowa farm price four-fifths of the time. The average excess in price during the years of higher price was 14.5c more than the Iowa price; while the average amount the Oklahoma price was less than the Iowa price during the years it was lower, was only 2.5 cents. This year the farm price of corn is lower in Oklahoma than in Iowa. The corn hog ratio (that is, the number of bushels of corn it takes to buy 100 pounds of live hogs) in Oklahoma during the past November and December was 14.6; in Iowa it was 12.8. Thus the ratio was 14 per cent more favorable to the hog feeder in Oklahoma than it was in Iowa. When this fact is considered in connection with Oklahoma's increased number of hogs and our unusually large supply of feeds, it brightens the hog prospects for the state during the coming year.

Oklahoma is a deficit pork producing area. Freight rates are much higher than they were in pre-war years which gives next year's Oklahoma pork producer a prospective advantage over Iowa producer whose pork is shipped into Oklahoma and marketed.

Exceptionally high beef prices will cause some consumers to substitute pork for beef, thus tending to strengthen hog prices. Furthermore, with alfalfa hay selling at an unusually low price—the lowest in several years—the use of alfalfa as hog pasture to supplement corn in feeding hogs assumes during the coming year an unusually important role for Oklahoma hog raisers.

Oklahoma farmers may well keep in mind the fact that a few hogs fit in well with a diversified system of farming. They turn waste products from the table, feed lots and field into edible meat or salable products.—J. T. Sanders, Rodney Whitaker.

HORSES AND MULES

Recent slight upward movement in the price of horses and mules may indicate that the unusually prolonged low swing of the horse cycle has again started toward the advancing price stage.

The rapid introduction of the tractor and automobile has seriously interfered with the normal upswing of the cycle. No one can say with assurance how long this interference will continue, but the increasing average age of horses on farms, together with 4% less horses on farms in 1928 than there were in 1927, and the 20% decline in number of horses and mules since 1920, indicate that acute shortage is ahead.

Oklahoma farmers who have ample pasture can well risk the possibility of continued low prices for the chances of much improved markets in the next few years. A few good brood mares at present unheard of low prices possibly will not now pay their way in their progeny, but the chances are very good that their present keep will materialize into profits in the not distant future.

The most profitable time to get into the livestock business as a rule is in the early stages of the upswing in prices and most certainly not at the peak of prices. Cattle prices are now attractive and many are trying to get into the business who will not make a good profit at it. Horse prices are low and few care to take the risk of better prices in the future. These contrasting attitudes on the part of livestock raisers are the most important forces behind livestock production cycles. Year in and year out it is the man who is wise enough and has enough courage to go against the current of livestock cycles that wins; and not the man who tries to ride in when the current is at its swell and out when the price tide is at a low ebb.

Especially should the cotton belt farmers of the state consider seriously the possible future of the horse and mule situation. The wheat belt in all probability will not suffer as acutely as will the cotton belt when horse shortage and high prices arrive. In the face of higher horse prices the wheat farmer will likely redouble his efforts at substituting motor power for horse power, thus offsetting in part his rising horse power costs. The cotton farmer in the past has not substituted motor for horse power as much as the wheat farmer and probably will not be able to do so in the future. The horse surplus so far has been, as a whole, in favor of the cotton farmer. When high prices arrive they are likely to be decidedly more to the cotton farmer's disadvantage than they are to the wheat farmer. Many farmers in the cotton belt now should be considering seriously the horse and mule prospects for the next few years.—J. T. Sanders.

EGGS AND POULTRY

Egg prices during 1928 will probably be maintained a little above prices which prevailed during 1927. There are also indications tha

the prices of the principal classes of poultry at least the first half of 1928 will be above 1927 prices.

The number of hens and pullets in the laying flocks of the United States was about the same on January 1, 1928, as on the same date in 1927. No change was reported in the large producing areas of the central states. There was probably a slight increase in the number of poultry in Oklahoma.

The receipts of eggs at the five principal markets during 1927 were about 5 per cent above the receipts for 1926 and slightly above average receipts at these same markets during 1922-26.

The production of eggs is coming to be better distributed throughout the year than formerly. This means that the winter supply of fresh eggs is increasing which is reducing the price spread between winter and spring eggs. However, the spread is still great enough so that many Oklahoma farmers will find it profitable to make a special effort to increase winter egg production by better housing and care of their flocks.

The receipts of dressed poultry at the five principal markets during 1927 were about 5 per cent less than receipts for the previous year and slightly above the five year average.

The storage holdings of case eggs on January 1, this year, were about 20 per cent below holdings for the same date last year and 38 per cent below the five year average. The holdings of frozen eggs on January 1, 1928, were considerably in excess of those of a year ago and also of the five year average. The storage holdings of frozen poultry on January 1 were 18 per cent less than those of last year and slightly above the five year average.

There are not enough eggs produced in Oklahoma to supply local consumptive demands, and there seems to be no danger of overproduction in the state in the near future. The growth of the cities and towns of the state is increasing the amount of poultry products consumed. The quality of Oklahoma eggs is rapidly improving but much remains to be done along this line. Good quality products which are well standardized will usually bring a premium over poor quality products.

Where Oklahoma farmers have sufficient feed and can give their flock the proper care they will no doubt find it profitable to expand poultry production for 1928. Especially is this true where local markets are favorable.—W. W. Fetrow.

PRICES

Prices paid to Oklahoma farmers on January 15 declined two per cent from December. The January prices were 143 per cent of the pre-war level and compare favorably to 110 in January, 1927. The total value, however, of all crops for 1927 declined seven per cent as compared to 1926.

Although prices for nine crops increased in the past year 43 per cent the decline in total production, especially of 55 per cent in wheat and 42 per cent in cotton gave farmers of the state as a whole, 21 million dollars or eight per cent less for the 1927 crops than for the crops of 1926. The total value of the 1926 crops were about one per cent greater than those of 1925. The value comparisons are based upon the December price index of 148 for 1927, 107 for 1926 and 152 for 1925. It will be observed that in spite of the low prices of 1926 the total value of crops was considerably larger than in 1927 or in 1925. The exceptionally low average prices in the autumn of 1926 were largely due to the ruinously low price of cotton.

Prices for livestock fluctuated less than prices of crops during the past year. The index for all livestock was 129 in January, 1928, as compared to 114 in 1927, 112 in 1926 and 103 in 1925. Prices for livestock gained 15 per cent in the past year, compared to a gain of 43 per cent for crops.

While prices paid to Oklahoma farmers increased 33 per cent during 1927, the index of non-agricultural commodities including what farmers have to buy declined seven per cent. This double advantage increased the purchasing power from 70 cents on the farm dollar in January, 1927, to 95 in January, 1928. The increase in purchasing power for crops was from 68 in January, 1927, to 99 in January, 1928. The increase for livestock was from 73 in January, 1927, to 85 in January, 1928. During the months of September, October and November, 1927, the purchasing power of crops was above 100 with the peak at 109 in September.—J. O. Ellsworth.

JANUARY PRICES RECEIVED BY OKLAHOMA FARMERS

	1914	1920	1925	1926	1927	1928	1914	1920	1925	1926	1927	1928**
	Index						Purchasing Power					
U. S. Farm	104	219	146	143	126	137**	104	93	88	87	81	91
Non-Agri.*	100	236	165	165	156	151**	94	105	116	107	116	105
Okla. Farm	101	240	151	140	110	143	101	102	92	86	70	95
Crops	95	282	181	159	107	150	95	120	110	97	69	99
Livestock	111	175	103	112	114	129	111	74	63	68	73	85
Feed on Farm	107	225	142	154	134	144	107	95	86	94	86	95
	Price Per Unit						Purchasing Power					
Cotton	10.4	35.4	21.8	16.6	9.6	18.3	92	139	118	89	54	107
Cottonseed	19.50	56.10	33.00	26.40	14.90	36.50	103	125	106	84	50	127
Wheat	.80	2.34	1.58	1.61	1.20	1.23	91	112	109	111	87	93
Corn	.74	1.36	1.06	.89	.58	.65	124	96	108	90	62	72
Oats	.48	.78	.57	.53	.40	.51	104	71	74	69	55	74
Barley	.64	1.21	.84	.74	.58	.65	102	81	81	71	59	68
Rye	.78	1.40	1.36	1.11	.91	.90	90	69	95	78	67	70
Irish Potatoes	1.08	2.56	1.20	2.77	1.80	1.45	101	101	68	157	108	90
Sweet Potatoes	1.10	2.00	1.60	1.43	1.00	.85	92	71	81	73	54	47
Hay	10.75	16.60	12.00	12.30	9.00	8.40	123	81	83	86	66	64
Apples	1.45	2.20	2.00	1.64	1.15	2.20	114	73	95	78	58	114
Horses	103.00	110.00	43.00	42.00	40.00	45.00	97	44	24	24	24	28
Beef	5.60	8.30	4.30	5.10	5.50	7.50	123	78	58	68	77	109
Veal	6.90	9.80	5.50	6.70	6.90	9.30	93	76	61	74	80	112
Sheep	5.10	10.00	....	....	5.50	7.30	106	88	....	100	73	100
Hogs	7.10	12.80	9.00	10.50	10.32	7.30	105	81	81	95	98	72
Milk Cows	53.20	82.60	40.00	49.20	52.00	64.00	121	80	55	68	76	90
Butter	.24	.54	.39	.40	.40	.42	96	92	95	97	102	114
Chickens	9.5	21.0	14.7	19.5	19.0	17.8	110	104	104	138	142	137
Eggs	.27	.56	.46	.32	.31	.34	109	96	113	78	81	91

*Purchasing power of non-agricultural products in exchange for food from Oklahoma Farmers.
**Preliminary.

—J. O. Ellsworth.